Bill Bowns

Bonneville Quarries, Inc. 842 West 400 North

West Bountiful, UT 84087

Forest Service Sawtooth National Forest Minidoka Ranger District 3650 South Overland Avenue Burley, ID 83318-3242 208-678-0430 Fax: 208-677-4878

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Date: July 19, 2011

M1003/0025 cc: Lynn

RECEIVED E-Mail

JUL 19 2011

NOTICE OF NON-COMPLIANCE

Div. of Oil, Gas & Mining

Dear Mr. Bowns,

On June 22, 2011 and June 28, 2011, inspections were conducted of the Lynn Springs Quarry, T. 14N, R.16W., Section 29, Sawtooth National Forest, Raft River Division, Utah. Sawtooth NF Geologist, Heidie Torrealday conducted the inspections of the quarry. Lynn Kunzler, Utah Division of Oil, Gas and Mining accompanied Heidie to the quarry on June 22, 2011 in order to inspect the workings and existing condition of the quarry. This letter documents the conditions occurring at the Lynn Springs Quarry that constitute non-compliance with Forest Service mining regulations found at 36 CFR 228A.

It has been observed and documented that mining activity has expanded in the North quarry area onto lands administered by BLM. Two smaller excavations separated by an extension of the main access road were documented during the May 4, 2011 inspection. The Kato excavator was seen parked in this area (see photo). During the inspection with Lynn Kunzler on June 22, it was noted that the excavation had expanded and the remainder of the access loop completed. Forest Service authorities and approval of the Lynn Springs Plan of Operation (POO) only applies to mining related activities on National Forest System lands. During these inspections, and also noted in previous inspections, it appears that your operations have expanded onto lands outside our regulatory authorities. Land status records indicate you may have encroached onto lands administered by the BLM. A copy of this letter is being forwarded to the Salt Lake Office BLM for their determination.







This letter also serves to document the long history of slow expansion and encroachment of quarry operations at Lynn Springs. The 1999 Plan of Operations approval limited mining to open and disturbed areas (roads, process areas and quarries), which our records indicate constitute an area of no more than five (5) acres. Since that time, Forest Service minerals administration has documented through inspection, photo records, and GPS survey an expansion beyond the authorized five (5) acres of disturbance. I offer the following Forest Service record timeline:

- August, 1999 Lynn Springs POO approval
- November, 2001 Sawtooth Mineral Administration inspection and GPS documents disturbance level (roads, quarry, process area) at 5.18 acres.
- October, 2003 Main Quarry (North Quarry) mapped using GPS and expansion documented at 0.37 acres since 2001. Total of 5.5 acres disturbed. The Sawtooth National Forest requested an amended Plan of Operation if you planed further expansion.
- May, 2005-Inspection documents 1.05 acres of expansion since 2001. 6.23 total acres of disturbance.
- May, 2007 Sawtooth National Forest Request for Plan of Operation modification within 30 days based upon level of documented expansion since 2001.
- June, 2007 Lynn Springs POO amendment received by Sawtooth National Forest, subsequent amendment received August, 2007 prepared by the Shipley Group.

- December 2007 Memorandum of Understanding (MOU) drafted between Sawtooth National
 Forest and Bonneville Quarries for the purposes of third-party contract preparation of
 environmental review of amended Plan of Operations.
- June, 2009- Sawtooth National Forest requests information regarding operator's intention for quarry expansion and request for information within 30 days.
- June, 2009 Correspondence from Bonneville Quarries, Inc./Bill Bowns regarding content of Forest Service requests and dismissal of third-party environmental review.
- May, 2011 Request by Forest Service for information regarding operator's intention for mining, hiring of third party contractor. Request to be fulfilled within 30-days.
- June, 2011 Bonneville Quarries/Bill Bowns responds to Forest Service request for information and resubmits Plan Modification dated August, 2007 prepared by the Shipley Group.
- June 28, 2011 GPS survey of entire Lynn Springs Quarry operational perimeter. Surface disturbance (not including roads) mapped at 6.7 acres.

Included with this letter are several maps that outline the expansion of quarry operations since 2001. Despite your history of insistence that mining only occurs in those areas authorized under the 1999 plan approval, it is clear that the operation has indeed expanded well beyond the disturbance areas described in the 1999 plan. While we appreciate your prompt response to the request for a new plan of operations, merely resubmitting the now outdated 2007 operating plan prepared by the Shipley Group is inadequate. We request that you resubmit a new Plan of Operations to reflect operations and disturbances to date and proposed future operations as well as fulfill all the mitigation requirements found at 36 CFR 228.4(c). Within 30 days of receipt of this letter, we request that you contact Heidie and make arrangements to review the 2007 "Shipley" Plan, determine what still applies, resurvey the site, and submit a new plan of operations. A date will be set for your submittal of the plan at that time. Once the plan is submitted to the Forest, Heidie and other Forest Specialists will conduct a "completeness review" prior to acceptance. Once complete, the plan will be subject to the approval process including review as per the National Environmental Policy Act, reclamation plan and bond review, etc.

Subsequent to the May 4, 2011 inspection, you were notified via letter of various items noted by the inspector that required attention. These items specifically included the unsecured condition of the highwall along the south wall of the North Quarry as well as a hydraulic oil spill observed from the parked D8-dozer in the same area. Approximately 5 gallons of hydraulic oil was released from the dozer and traveled down the access road and was not addressed when the inspector was on site in late June. There have been countless requests since your operating plan was authorized in 1999 to address oil spill, leaks from equipment, and petroleum contamination from waste oil and spent containers throughout the quarry. While some of these occurrences are relatively small, others are larger volumes and are reportable spills. This condition constitutes a violation of requirements for environmental protection found at 36 CFR 228.8(c) in which as operator you are responsible for ensuring that all wastes are treated and disposed of so as not to unnecessarily impact the environment. We ask that you address this issue by excavating all

contaminated soil and surface materials on site for proper removal and disposal. It is unavoidable to have equipment breakdowns, but we ask that you work more diligently with your crews on site to quickly remedy these spills when they happen so as not to become larger volume contaminations. The 1999 Plan approval does not authorize storage of fuel on site.

With regard to the various requests for high-wall security in the North Quarry area, the Forest Service has continually recognized this as a significant hazard to the public as well as to the workers on site. Yellow caution tape wound between stakes and broken sticks does not constitute adequate hazard identification or public protection. You are non-compliant with regulation 36 CFR 228.9 in not maintaining appropriate hazard protection for public and workmen safety. A more secure and longer term solution to this issue needs to be applied. We ask that you remedy this and post appropriate signs informing the public of potential hazards within 30 days of the receipt of this notification. Your new plan of operations needs to address how you plan to provide safety to both your employees and the public during operations and during the periods of the year when you are not actively quarrying. Sawtooth Minerals Administrators will follow up with an inspection in early August to assess your progress in addressing these issues.

If you have questions with regard to the information contained in this letter please contact Heidie Torrealday at 208.731.0180 to discuss.

/s/ Scott C. Nannenga SCOTT C. NANNENGA

Minidoka District Ranger

Sincerely,

Received by:	Date: